

Official Statement

ALTA LOMA SCHOOL DISTRICT
San Bernardino County, California

\$2,245,000 PRINCIPAL AMOUNT

ELECTION 1978, SERIES 3 BONDS
(General Obligations)

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Bids to be received by the Clerk of the Board of Supervisors of San Bernardino County,
County Civic Building, 175 West Fifth Street, San Bernardino, California 92415 at 10:00
A.M., Monday, February 25, 1980.

[Handwritten signature]

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on, and buyers of \$2,245,000 principal amount of Election 1978, Series 3 Bonds proposed to be issued by the Alta Loma School District.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants to the Alta Loma School District (which firm will receive compensation from the District contingent upon the sale and delivery of the Bonds).

This Official Statement is not to be construed as a contract with the purchasers of the Election 1978, Series 3 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The members of the Board of Trustees of the Alta Loma School District have reviewed this Official Statement and have determined that as of this date the information contained in it is, to the best of their knowledge and belief, true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The Alta Loma School District will deliver to the purchaser of the Bonds a certificate as to the above, dated the date of Bond delivery and further certifying that the signatories know of no material adverse change in the condition of the District which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds. Two hundred (200) copies of the Official Statement will be supplied to the purchaser of the Bonds for this purpose.

February 4, 1980

JOHN E. McMURTRY
SUPERINTENDENT
ALTA LOMA SCHOOL DISTRICT

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THE DATE OF THIS OFFICIAL STATEMENT IS FEBRUARY 4, 1980

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Alta Loma and vicinity.

INTRODUCTION

The \$2,245,000 principal amount of Alta Loma School District Election 1978, Series 3 Bonds represent the third sale within a total authorization of \$4,500,000 approved by more than two-thirds of the voters casting ballots at an election held in the District on March 7, 1978. Proceeds from the sale of these general obligation bonds will be used to pay most of the construction costs for a 775-pupil elementary school. Land acquisition, and part of the site development and design costs for the new school were funded from a portion of the proceeds received from the sale of the District's Election 1978, Series 2 Bonds. The balance of the construction costs will be paid from the issuance and sale of the remaining \$595,000 of the District's 1978 bond authorization during the 1980/81 fiscal year.

The Alta Loma School District, organized in 1885, provides kindergarten through eighth grade educational services to an area of approximately 25 square miles which includes the northern portion of the City of Rancho Cucamonga and adjoining unincorporated areas. The District is located in the western portion of the San Bernardino County, approximately 40 miles east of the Los Angeles Civic Center and 19 miles west of San Bernardino. Approximately 22,000 persons reside within the District.

Historically, the economy of the District was based primarily upon agriculture. The vineyards, citrus ranches and horse ranches which once comprised the major portion of the District's agricultural base are rapidly yielding to suburban expansion.

Construction activity in the District and environs has proceeded at a vigorous pace since 1975. Demand for new homes in this area has been stimulated primarily by families relocating from Los Angeles County, in many instances to purchase more moderately-priced or larger homes. As of the third quarter of 1979, developers had scheduled to build a total of 2,436 housing units within the District, of which 1,459 were completed and 1,078 sold. Virtually all units are single-family detached homes in the \$75,000 to \$150,000 price range.

Employment opportunities within the District are largely in education, trade, personal services and manufacturing. The District contains ten manufacturing firms, the largest of which, the American Can Company, employs more than 100 persons at a local plant producing plastic bottles. Chaffey Community College and the Alta Loma School District, respectively, are the largest employers in the District. A large, but undetermined, number of persons are employed at the seven neighborhood shopping centers located within the District. Extensive job opportunities exist within the San Bernardino-Riverside-Ontario Metropolitan Area which overlaps the District.

The District's average daily attendance has grown from 2,146 students in 1974/75 to an estimated 3,950 in 1979/80. Assessed valuation has increased 432 percent during the same period, from \$24,455,170 to \$130,179,740. Upon delivery of the bonds currently offered, the District's direct outstanding bonded indebtedness will be \$6,505,000, or approximately 5.00 percent of its 1979/80 assessed valuation, and its net direct and estimated overlapping debt will approximate 10.73 percent of assessed valuation.

THE BONDS

AUTHORITY FOR ISSUANCE

The \$2,245,000 of Alta Loma School District Election 1978, Series 3 Bonds, now being offered for sale are general obligations to be issued under provisions of Title 1, Division 1, Part 10, Chapter 2 of the State of California Education Code, commencing with Section 15000, and pursuant to a resolution of the Board of Supervisors of San Bernardino County adopted on January 21, 1980.

The Bonds represent the third series of an authorization of \$4,500,000 approved by District voters on March 7, 1978. The District sold \$265,000 of Series 1 Bonds on June 1, 1978, and \$1,395,000 of Series 2 Bonds on January 8, 1979. Following the sale of the Series 3 Bonds, \$595,000 of the \$4,500,000 authorization will remain unsold.

TERMS OF SALE

Bids will be received by the Clerk of the Board of Supervisors of San Bernardino County at or before 10:00 A.M., Monday, February 25, 1980, at the Office of the Clerk of the Board of Supervisors, County Civic Building, 175 West Fifth Street, San Bernardino, California 92415. The Bonds will be sold pursuant to the terms of sale contained in the Official Notice of Sale adopted by the Board of Supervisors on January 21, 1980.

DESCRIPTION OF THE BONDS

The Bonds will be dated March 1, 1980 and will be issued in denominations of \$5,000 each. The Bonds will mature in consecutive numerical order on March 1 in the years and in the amounts set forth in following maturity schedule.

<u>YEAR</u>	<u>PRINCIPAL MATURING</u>	<u>YEAR</u>	<u>PRINCIPAL MATURING</u>
1982	\$ 20,000	1989	\$ 175,000
1983	40,000	1990	190,000
1984	70,000	1991	210,000
1985	95,000	1992	225,000
1986	125,000	1993	235,000
1987	155,000	1994	260,000
1988	165,000	1995	280,000

INTEREST

Interest on the Bonds at a rate not to exceed eight percent (8%) per annum is payable for the first year on March 1, 1981 and semiannually thereafter on each September 1 and March 1.

REDEMPTION PROVISIONS

Bonds maturing on or prior to March 1, 1990 are not subject to call and redemption prior to their fixed maturity dates. Bonds maturing on or after March 1, 1991 are subject to call and redemption prior to their fixed maturity dates at the option of the District as a whole or in part in inverse order of maturity and number on any interest payment date on and after March 1, 1990 at a redemption price equal to the principal amount and accrued interest to the date of redemption plus a premium of (a) one-quarter of one percent of the principal amount and (b) one-quarter of one percent of the principal amount for each year or intervening fraction of a year between the redemption date and the maturity date.

PAYMENT

Both principal and interest are payable in lawful money of the United States of America at the office of the Treasurer-Tax Collector of San Bernardino County in San Bernardino, California.

EXECUTION AND REGISTRATION

Coupon bonds will be issued by the Board of Supervisors on behalf of the District. The Bonds will be executed by the manual signature of at least one official authorized to execute the Bonds. The Bonds are registrable only as to both principal and interest.

LEGAL OPINION

The legal opinion of O'Melveny & Myers, Los Angeles, California, Bond Counsel to the District, attesting to the validity of the Bonds, will be supplied to the original purchasers of the Bonds without charge. A copy of the legal opinion, certified by the Treasurer-Tax Collector of San Bernardino County, in whose office the original is to be filed, will be printed on each bond, without cost to the successful bidder.

The statements of law and legal conclusions set forth herein under the section entitled "The Bonds" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to a review of the legal proceedings required for authorization of the Bonds and to rendering an opinion as to validity of the Bonds and the exemption of interest on the Bonds from income taxation. The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars, or other material of any kind concerning the Bonds not mentioned in this paragraph.

TAX EXEMPT STATUS

In the opinion of Bond Counsel, the interest on the Bonds is exempt from present federal income taxes and from State of California personal income taxes under existing statutes, regulations, and court decisions.

LEGALITY FOR INVESTMENT

In the opinion of Bond Counsel, the Bonds are legal investments in California for all trust funds and for the funds of insurance companies, commercial banks, trust companies and for State school funds, and are eligible as security for deposits of public monies in California.

SECURITY

The Bonds are general obligations of the Alta Loma School District, and the Board of Supervisors of San Bernardino County has the power and is obligated to levy ad valorem taxes for payment of bond principal and interest upon all property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates), without limitation of rate or amount.

NO LITIGATION

At the time of payment for and delivery of the Bonds, the successful bidder will be furnished with a certificate that there is no litigation pending affecting the validity of the Bonds.

CONSTITUTIONAL TAX LIMITATION

Article XIII A of the State Constitution limits property taxes -- except taxes required to meet debt service on bonds approved by the electorate prior to the July 1, 1978 effective date of the amendment -- to one percent of market value. Market value is required to be based on 1975/76 values, except for newly constructed property and property which changes ownership which must be valued as of the date construction is completed or the date of the ownership change. Market values may be increased by up to two percent per year over the base year to reflect inflation.

Because taxes to meet debt service on bonds previously approved by the electorate are specifically excluded from the tax rate limitation it will have no effect on the security of the bonds currently being offered for sale.

Article XIII A also provides that no additional taxes on property or property transfers may be imposed and that other additional taxes may be imposed by the State only with a two-thirds majority approval of the Legislature and by local governments only with the approval of two-thirds of the electorate.

CONSTITUTIONAL LIMITATION ON GOVERNMENTAL SPENDING

Article XIII B of the State Constitution provides that, beginning in the 1980/81 fiscal year the State and its political subdivisions including the District, will have an annual "appropriations limit" and they will not be able to spend certain moneys in an aggregate amount higher than the "appropriations limit". The spending of certain moneys will be excluded, however, from the "appropriations limit" including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the District's "appropriations limit" will be based on certain 1978/79 spending authorizations, and it will be adjusted annually to reflect changes in consumer prices and in the District's average daily attendance. Among other provisions of the Article are: if District revenues in any year exceed the amounts permitted to be spent, the excess will have to be returned by revising tax rates or fee schedules over the subsequent two years; and the "appropriations limit" may be changed by vote of the District's electors for a period of not more than four years.

There are many ambiguities and uncertainties in the Article XIII B which will require clarification from subsequent legislation or judicial decisions. The District therefore is unable to determine exactly how the Article, if upheld by the courts, will affect its ability to provide services and meet certain of its financial obligations. However, since expenditures for debt service on indebtedness authorized as of January 1, 1979 are specifically excluded from the spending limitations, the Article will have no direct effect on the security of the bonds currently offered for sale.

The details of the Article XIII B are more complex than is indicated by the foregoing partial description. The full text of the Article will be supplied on request by Stone & Youngberg Municipal Financing Consultants, Inc., Suite 400, 1541 Wilshire Boulevard, Los Angeles, California 90017.

PROPOSED INITIATIVE CONSTITUTIONAL AMENDMENT TO REDUCE STATE PERSONAL INCOME TAX RATES

In December 1979, a proposed initiative amendment to the California Constitution qualified for the June 1980 Statewide election. This proposed constitutional amendment would require that personal income tax rates for 1980 and subsequent years be set at rates not to exceed the rates in effect for the 1978 taxable year. Under this proposed amendment personal income tax rates applied to a taxpayer's income would range from $\frac{1}{2}$ of 1% to $5\frac{1}{2}$ % compared with the 1978 range of 1% to 11%. The proposed constitutional amendment would also require the Legislature to provide a system for the adjustment of personal income tax brackets to reflect annual changes in the California Consumer Price Index, and exempt business inventories from property taxation.

The State's Legislative Analyst has estimated the reduction in income tax revenues for calendar years 1980, 1981, and 1982 which would result if the proposed constitutional

amendment was approved. Based on these estimates, the proposed constitutional amendment, if adopted, would reduce the State's General Fund revenues by approximately \$4.9 billion in fiscal year 1980/81 and \$4.4 billion in fiscal year 1981/82.

Reference is made to the discussion of the "deflator" mechanism under the heading "Allocation of Taxes and State Aid" beginning on page 11 of this Official Statement. The State's Legislative Analyst estimates that passage of this proposed constitutional amendment would result in reductions in school apportionments and State subventions to cities, counties, and special districts in the aggregate amount of approximately \$3.6 billion, or about 32 percent of State education apportionments and local subventions. Additionally, reductions totaling approximately \$1.3 billion would be required to balance the State's General Fund budget in 1980/81 which could require further reductions in school apportionments, State subventions to local public entities and/or other State operations expenditures.

Since the source of funds to pay debt service on the bonds currently offered is local property taxes, the proposed constitutional amendment, if enacted, should have no effect on the District's ability to pay such debt service. The District is, however, unable to determine at this time the possible impact of this proposed constitutional amendment on the scope of services which it provides and its ability to meet certain of its other financial obligations.

PURPOSE OF THE ISSUE

Proceeds from the sale of the \$2,245,000 Election 1978, Series 3 Bonds will be applied toward the development and construction of a 775-pupil elementary school and used to pay the costs of bond issuance. The new elementary school will be built on a site which the District is purchasing with a portion of the proceeds received from the sale of its Election 1978, Series 2 Bonds. Part of the site development and school design costs were also funded from the proceeds of the Series 2 Bonds.

The District intends to finance the balance of the elementary school construction costs from the issuance and sale of the remaining \$595,000 of its Election 1978 bond authorization during the 1980/81 fiscal year.

ESTIMATED DEBT SERVICE

Table 1 presents a schedule of the estimated annual debt service for the bonds currently offered for sale, based on the maximum interest rate of eight percent, together with the actual debt service requirements for the District's prior bond issues.

Table 1
 ALTA LOMA SCHOOL DISTRICT
 \$2,245,000 Election 1978, Series 3 Bonds and Prior Bond Issues
 Maximum Annual Bond Service Requirements

Fiscal Year	Amount Outstanding	Interest Estimated @ 8%	Principal Maturing March 1	Annual Bond Service	Bond Service on Prior Issues	Aggregate Annual Bond Service
1980/81	\$2,245,000	\$ 179,600	\$ -	\$ 179,600	\$ 449,208.75	\$ 628,808.75
1981/82	2,245,000	179,600	20,000	199,600	446,408.75	646,008.75
1982/83	2,225,000	178,000	40,000	218,000	448,196.25	666,196.25
1983/84	2,185,000	174,800	70,000	244,800	445,000.00	689,800.00
1984/85	2,115,000	169,200	95,000	264,200	446,557.50	710,757.50
1985/86	2,020,000	161,600	125,000	286,600	443,510.00	730,110.00
1986/87	1,895,000	151,600	155,000	306,600	441,640.00	748,240.00
1987/88	1,740,000	139,200	165,000	304,200	445,227.50	749,427.50
1988/89	1,575,000	126,000	175,000	301,000	447,278.75	748,278.75
1989/90	1,400,000	112,000	190,000	302,000	449,302.50	751,302.50
1990/91	1,210,000	96,800	210,000 (1)	306,800	443,777.50	750,577.50
1991/92	1,000,000	80,000	225,000 (1)	305,000	445,260.00	750,260.00
1992/93	775,000	62,000	235,000 (1)	297,000	454,135.00	751,135.00
1993/94	540,000	43,200	260,000 (1)	303,200	376,300.00	679,500.00
1994/95	280,000	22,400	280,000 (1)	302,400	-	302,400.00
		\$1,876,000	\$2,245,000	\$4,121,000	\$6,181,802.50	\$10,302,802.50

(1) Callable on and after March 1, 1980.

DISTRICT ORGANIZATION AND FINANCIAL DATA

ORGANIZATION

The Alta Loma School District provides kindergarten through eighth grade educational services to residents of an area encompassing approximately 25 square miles in the northern part of the City of Rancho Cucamonga and adjoining unincorporated areas.

The District has operated as an elementary school district under the laws of the State of California continuously since 1885. The District is governed by an independent Board of Trustees of five members who are elected at large to overlapping four-year terms at elections held every two years. The District's affairs are administered by the Superintendent, who is appointed by the Board of Trustees.

Mr. John E. McMurtry was appointed Superintendent of the District effective July 1, 1978. He had previously been Deputy Superintendent of the Chino Unified School District in San Bernardino County, and has been engaged in the field of education for more than 20 years.

FACILITIES, PERSONNEL, AND ENROLLMENT

District facilities include four elementary schools and one intermediate school. The staff of the District consists of 182 certificated and administrative personnel, plus 95 equivalent full-time classified employees. As of October 1979, District enrollment was 3,974, an increase of 677 students over October 1978 enrollment.

The tabulation on the following page shows the District's assessed valuation, average daily attendance and assessed valuation per unit of average daily attendance during each of the past five fiscal years, together with the assessed valuation, estimated average daily attendance and estimated assessed valuation per unit of average daily attendance for the current school year. During the six-year period summarized, the District's assessed valuation has increased 432.3 percent, while the average daily attendance and assessed valuation per unit of average daily attendance are estimated to have increased 84 percent and 189 percent, respectively.

ALTA LOMA SCHOOL DISTRICT

Assessed Valuation and Average Daily Attendance

Fiscal Year	Assessed Valuation (1)	Average Daily Attendance (2)	Assessed Valuation Per Unit Average Daily Attendance
1974/75	\$ 24,455,170	2,146	\$ 11,395
1975/76	31,250,420	2,309	13,534
1976/77	36,774,020	2,701	13,615
1977/78	62,813,150	3,193	19,672
1978/79	88,688,805	3,400	26,085
1979/80	130,179,740	3,950 (3)	32,957 (3)

(1) Includes State reimbursed exemptions.

(2) Includes summer enrollments and special classes.

(3) Estimate by District staff.

ASSESSED VALUATIONS

Property within the Alta Loma School District is assessed by the San Bernardino County Assessor, except for utility property which is assessed by the State Board of Equalization. Assessed values are equal to 25 percent of cash values.

Since the 1978/79 fiscal year, Article XIII A of the State Constitution has required that full cash values be based on 1975/76 values, except for newly constructed properties or properties which undergo a change in ownership. The value of these properties is to be based on their worth as of the date of construction or the date that ownership changes. The base values may be increased by up to two percent per year to reflect inflation and may be decreased to reflect a decline in worth.

California law provides for two types of exemptions which do not result in any loss of revenues by local agencies since an amount equivalent to the taxes which would have been paid on such exempt properties is made up by the State. One exempts \$1,750 of the assessed valuation of owner-occupied dwellings. The other exempts 50 percent of the assessed valuation of business inventories.

The tabulation at the top of the following page shows the 1979/80 assessed valuation of the Alta Loma School District before and after giving effect to the exemptions.

ALTA LOMA SCHOOL DISTRICT
1979/80 Assessed Valuation

	Net Assessed Valuation	Homeowners' and Business Inventory Exemptions	Assessed Valuation for Revenue Purposes
Local secured	\$115,662,530	\$9,312,670	\$124,975,200
Utility	2,573,510	-	2,573,510
Unsecured	<u>2,131,680</u>	<u>499,350</u>	<u>2,631,030</u>
Total	\$120,367,720	\$9,812,020	\$130,179,740

Source: San Bernardino County Auditor-Controller.

Following is a five-year summary of the assessed valuation of the District before deduction of the homeowners' and business inventory exemptions. It can be noted that the District's assessed valuation increased more than 41 percent over the prior fiscal year in 1978/79 and nearly 47 percent in 1979/80 despite the limitations imposed by Article XIII A of the State Constitution.

ALTA LOMA SCHOOL DISTRICT
Five-Year Summary of Assessed Valuation

Fiscal Year	Local Secured	Utility	Unsecured	Total
1975/76	\$ 28,317,625	\$1,150,510	\$1,782,285	\$ 31,250,420
1976/77	33,996,660	1,288,370	1,488,990	36,774,020
1977/78	59,519,145	1,579,590	1,714,415	62,813,150
1978/79	84,492,440	2,142,420	2,053,945	88,688,805
1979/80	124,975,200	2,573,510	2,631,030	130,179,740

Source: San Bernardino County Auditor-Controller.

FUTURE EXEMPTIONS AND REIMBURSEMENTS

Commencing with the 1980/81 fiscal year all business inventories will be exempt from taxation (rather than 50 percent as at present). The present tax of one tenth of one percent of the value of baled cotton will also be removed. The State will reimburse local agencies for the revenue lost as a result.

For the 1980/81 fiscal year the reimbursement will be twice the amount that would have been allocated for the 1979/80 fiscal year if the reimbursement for the inventory exemp-

tion had been predicated on the agency's share of the proceeds from the county-wide tax rate of four dollars per \$100 of assessed valuation.

In succeeding years the reimbursement to school districts will be adjusted according to the changes in average daily attendance and the consumer price index.

ALLOCATION OF TAXES AND STATE AID

Article XIII A of the State Constitution which limits taxes (except for taxes to meet debt service on obligations approved by the electorate prior to July 1, 1978) to one percent of market value, provides that such taxes are to be "collected by the counties and apportioned according to law to the districts within the county".

Chapter 292, Statutes of 1978 provided that during the 1978/79 fiscal year such taxes were to be apportioned by each county among all taxing agencies within the county in proportion to their average pro rata share of property taxes levied within the county in certain previous years. It also provided for a large portion of the State's accumulated surplus to be distributed to local government units to replace property tax revenues lost in the 1978/79 year as a result of the adoption of Article XIII A.

Chapter 282, Statutes of 1979 established new property tax allocation procedures which shift a portion of the school district's property tax revenues to cities, counties, and special districts. Statewide, it was estimated that school districts would receive a 1979/80 "base" allocation of property tax revenues of approximately \$1.913 billion, which was approximately \$757 million lower than would otherwise have been received under the 1978/79 property tax allocation procedures; however, additional State school aid was provided to offset this reduction in property tax revenue. The reduced pool of 1979/80 school property taxes in each county will be shared by each school district, community college district, and county superintendent of schools in proportion to their respective shares of 1978/79 school taxes.

In 1980/81 and future years, each school district will receive a base allocation equal to its total property tax allocation in the prior years plus its share of assessed valuation growth. Future assessed valuation growth from new construction, revised assessments due to changes in ownership of property and the two percent value growth to compensate for inflation (permitted under Article XIII A of the California Constitution) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth in proportion to their share of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's "base" allocation in the following year.

Legislation enacted in 1973 placed limitations on the revenues per unit of average daily attendance which could be raised by general purpose taxes (including taxes to meet debt service on general obligation bonds which taxes are not subject to limitations as to rate or amount). These revenue limitations, which became effective in the 1973/74 fiscal year, have been derived from a number of factors including adjustments for inflation, limited mandatory contributions to the Teachers' Retirement System, basic state aid, state equalization aid and tax collections in the prior year.

In 1979/80 revenue limits for school districts which were applicable in 1978/79 were recalculated, equalized, and adjusted to compensate for inflation at a statewide average increase of 8.6 percent. Districts spending above the statewide average expenditure per unit of average daily attendance had their revenue limits increased by less than 8.6 percent while districts spending below the statewide average expenditure per unit of average daily attendance had their revenue limits increased by more than 8.6 percent.

Revenue limits for years after 1979/80 are subject to annual inflation adjustments, which will vary among individual school districts based upon a number of factors. The 1980/81 inflation adjustments in revenue limits per unit of average daily attendance will range from \$85 to \$150 per unit of average daily attendance, depending upon the district's 1979/80 base revenue limit. Elementary school districts whose revenue limit per unit of average daily attendance is less than \$1,350 will receive an adjustment of \$150 per unit of average daily attendance. Districts whose revenue limit per unit of average daily attendance ranges between \$1,350 and \$1,850 will receive an adjustment ranging from \$150 to \$85 per unit of average daily attendance while those with revenue limits greater than \$1,850 will receive \$85 per unit of average daily attendance.

By 1983/84 under this public education financing mechanism, it is anticipated that 89 percent of the unified school districts' average daily attendance will be located in school districts having a variation in expenditures per unit of average daily attendance of \$100, or less, while 94 percent of unified school districts' average daily attendance will be located in districts having an expenditure variation of \$150 or less per unit of daily attendance.

The law provides for annual payments from the State School Fund to school districts in amounts which, generally speaking, would be the difference between the revenue limit and local property tax revenues in each fiscal year. However, this anticipated level of State aid would be reduced if the "deflator" mechanism (described below) comes into operation.

The tabulation on the following page shows the estimated impact of Chapter 282, Statutes of 1979 on the revenue limits of the Alta Loma School District.

The law contains a "deflator" mechanism whereby the total State cost of the provisions of the law would be reduced in insufficient funds are available in future years. Specifically, for 1980/81, if the State's total General Fund revenues and transfers, plus beginning surplus, as estimated on June 10, 1980, fall below \$20.6 billion by more than \$100 million, the cost of the law will be reduced by the amount of the shortfall. Fifty percent of the shortfall would be reflected in an across-the-board percentage cut in school revenue limits. The remaining fifty percent would be effected through reductions in homeowner and business inventory exemption reimbursements proportionate to the amount of assistance granted by the law.

For future years, the Governor's budget would contain an estimate equivalent to the \$20.6 billion for 1979/80. If the total of State General Fund revenues, transfers and surplus, as

estimated by the June 10 prior to the start of the fiscal year, fall short of that figure, then similar reductions would be made for that fiscal year to make up the shortfall. Such reductions shall be made unless the Legislature passes by June 30 a concurrent resolution providing that the reductions shall not be made.

Chapter 282 contains many additional provisions for specific school-related programs including summer school, adult education, deferred maintenance facilities, county offices of education, portable classrooms and other capital outlays, and various categorical aids.

ALTA LOMA SCHOOL DISTRICT

Estimated Impact of Chapter 282, Statutes of 1979, on Revenue Limits
Per Unit of Average Daily Attendance

Fiscal Year	Estimated Average Daily Attendance	Revenue Limit Total (1)	Revenue Limit Per Unit of Average Daily Attendance
1978/79 (2)	3,259	\$4,074,145	\$1,250
1979/80	3,475	4,804,991	1,383 (3)
1980/81	3,635	5,556,953	1,528

- (1) The revenue limit total pertains to general education purposes and excludes categorical aid programs, capital outlays, and other special purposes.
- (2) Actual figures for the 1978/79 fiscal year are as follows: ADA, 3,400; Revenue Limit Per Unit of ADA, \$1,244.81.
- (3) The District currently estimates its 1979/80 Revenue Limit Per Unit of ADA will be \$1,377.55.

Source: Legislative Conference Committee A.B. No. 8 Education Exhibit #1 July 18, 1979: "K-12 District Impact, 1979/80 and 1980/81 Revenue Limits".

SERRANO V. PRIEST

In a decision dated December 30, 1976, the California Supreme Court affirmed the ruling of a Superior Court in the case entitled Serrano v. Priest. The ruling held that the California system of levying property taxes and applying funds for public school purposes which was in effect at the time of the court ruling was unconstitutional.

The Superior Court judgment, as affirmed by the State Supreme Court, stated that the existing school financing program shall continue to operate until a system which conforms to the State Constitution can be placed into effect. The Supreme Court decision requires that such a system be implemented by September 30, 1980.

Chapter 282, Statutes of 1979, provides, among other things, a long-term system of funding education in the State which is designed to comply with the standards promulgated under Serrano v. Priest.

Previously enacted legislation which was designed to provide for some equalization of state school tax revenues was challenged in the courts. This legislation (Chapter 894, Statutes of 1977) redistributed a portion of the tax revenues of school districts having a high tax base per pupil to school districts with a low tax base per pupil. It also increased the amount of state aid supplied to school districts with a low per-pupil tax base. However, this legislation was superseded by laws enacted following the adoption of Article XIII A of the State Constitution.

Whether there will be further litigation under Serrano v. Priest and whether such litigation (if any) will result in changes in the sources of funds for financing public schools, including property taxation, and any effect of such changes on the money available to the District to meet debt service on its bonds, cannot be determined at this time. However, it is believed that any such changes will not affect the validity of the District's outstanding bonds.

TAX RATES

Prior to Article XIII A of the State Constitution taking effect in the 1978/79 fiscal year, the total tax rate for the Alta Loma School District was established by the San Bernardino County Board of Supervisors. Beginning with the 1978/79 fiscal year the County Board of Supervisors established a tax rate to meet debt service (including repayments of State Building Aid) and the District received a share of the revenues derived from the maximum rate permitted under Article XIII A for purposes other than paying debt service.

Following is a summary of Alta Loma School District tax rates for the five fiscal years ending with 1979/80.

ALTA LOMA SCHOOL DISTRICT Five-Year Summary of Tax Rates

Fiscal Year:	1975/76	1976/77	1977/78	1978/79	1979/80
General purpose	\$1.3024	\$1.3318	\$1.4246	\$ -	\$ -
Community service	.0500	.0500	.0500	-	-
Meals for needy pupils	.0126	.0179	-	-	-
State loan repayment	.0438	.0578	.0579	.0382	.0788
School building aid	.0108	.0088	.0052	.0061	.0033
Areawide rate	1.0332	1.0308	1.0331	-	-
Bond interest and redemption	.4891	.4869	.4596	.3552	.2859
Total	<u>\$2.9419</u>	<u>\$2.9840</u>	<u>\$3.0304</u>	<u>\$0.3995</u>	<u>\$0.3680</u>

Source: San Bernardino County Auditor-Controller

Currently, there are 15 tax rate areas within the District. The largest is Tax Code Area 15004 which has a 1979/80 assessed valuation of \$39,603,250, which represents 30.4 percent of the District total. Tax Code Area 15004 was created from a consolidation of Tax Code Areas 5208, 5209, 5216 and 5217, and became effective during the 1978/79 fiscal year as a result of the incorporation of the City of Rancho Cucamonga. Prior to 1978/79, Tax Code Area 5208 was the largest in the District.

A summary of the tax rates levied in the District's largest Tax Code Area during the five fiscal years ending with 1979/80 appears below.

The County-wide rate of \$4 per \$100 assessed valuation equates to the tax limitation of one percent of market value for purposes other than paying debt service which is contained in Article XIII A of the State Constitution, since assessed valuations are equal to 25 percent of cash value.

ALTA LOMA SCHOOL DISTRICT
Largest Tax Code Area (1)
Tax Rates Per \$100 Assessed Valuation

	1975/76	1976/77	1977/78	1978/79	1979/80
County-wide rate (2)	\$ -	\$ -	\$ -	\$ 4.0000	\$ 4.0000
San Bernardino County	3.1466	3.1616	2.8356	-	-
Schools	6.2931	6.4004	5.9620	.4799	.4298
County Service Areas	.3350	.3354	.2876	-	-
Fire	.7219	.7000	.8972	-	-
Flood Control Zone	.3000	.3000	.2971	-	-
Municipal Water	.5500	.6400	.7600	.0810	.0677
Metropolitan Water	.1600	.1500	.1400	.1200	.1100
Other water	.3100	.6275	.3900	.2450	.3701
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Rate All Property	\$11.8166	\$12.3149	\$11.5695	\$ 4.9259	\$ 4.9776
Soil Conservation (3)	-	-	.0275	-	-
Total Tax Rate	<hr/> \$11.8166	<hr/> \$12.3149	<hr/> \$11.5970	<hr/> \$ 4.9259	<hr/> \$ 4.9776

(1) Tax Code Area 5208 during fiscal years 1975/76 through 1977/78 and Tax Code Area 15004 in 1978/79 and 1979/80.

(2) Maximum rate for purposes other than paying debt service under Article XIII A of the State Constitution.

(3) Land only.

Source: San Bernardino County Auditor-Controller.

TAX LEVIES AND DELINQUENCIES

Alta Loma School District taxes are collected on the same bill as County taxes. Secured taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured taxes are assessed on March 1 and become delinquent on August 1.

The tabulation at the top of the following page shows the secured taxes levied by the District during the past five fiscal years, together with the total amounts and percentages delinquent as of June 30 of each fiscal year.

ALTA LOMA SCHOOL DISTRICT Secured Tax Levies and Delinquencies

Year Ending June 30	Secured Tax Levy	Delinquent as of June 30	
		Amount	Percent
1975	\$305,399	\$16,772	5.49%
1976	361,274	15,343	4.25
1977	448,828	9,463	2.11
1978	852,246	23,663	2.78
1979	281,983	19,261	6.83

(1) Data shown for fiscal years 1975 through 1978 pertain to taxes levied for general purposes whereas data for 1979 consist of taxes levied for debt service in accordance with Article XIII A of the State Constitution.

Source: San Bernardino County Auditor-Controller.

LARGEST TAXPAYERS

The following tabulation presents a listing of the ten largest taxpayers within the Alta Loma School District, their primary businesses and 1979/80 assessed valuations.

ALTA LOMA SCHOOL DISTRICT

Ten Largest Taxpayers

Name	Business	1979/80 Assessed Valuation
Lewis Development Co.	Land developer	\$1,889,330
Petrolane, Inc.	Petroleum	1,277,335
Bennett Industries, Inc.	Container manufacturer	1,161,440
Southern California Edison Co.	Public utility	1,085,880
Vons Grocery Co.	Food market	1,078,800
General Telephone Co.	Public utility	951,440
Multi-Benefit Realty Fund IV	Shopping center	738,965
Jack and Florence Sylvester	Investments	530,000
Wayne and Richard E. Semain Trust	Investments	506,250
Alta Laguna Mobile Estates, Ltd.	Mobile home park	492,740

Source: San Bernardino County Assessor.

FUND BALANCES

Table 2 presents a summary of the District's fund balances for each of the past five fiscal years.

Table 2
ALTA LOMA SCHOOL DISTRICT
Fund Balances as of June 30

	1975	1976	1977	1978	1979
General Fund	\$220,405	\$179,995	\$ 270,091	\$ 204,982	\$ 448,165
Bond Interest & Redemption Fund	153,309	157,462	201,941	291,491	406,231
Bond Building Fund	180,273	-	-	1,070,320	1,599,937
State Building Fund	982,330	868,064	1,250,568	1,824,840	1,871,557
Student Body Fund	3,059	3,995	5,179	9,777	8,224
Cafeteria Account	4,224	1,834	3,012	10,109	23,633
Special Reserve	-	-	-	-	121,649

Source: District audit reports for individual years.

GENERAL FUND INCOME AND EXPENDITURES

Table 3 consists of a five-year summary of General Fund income and expenditures for the Alta Loma School District as reported in District audit reports plus a listing of the income and expenditures summarized in the 1979/80 Final Budget. For the five years ending in 1978/79, annual budget appropriations and the variance of actual expenditures are also shown.

BALANCE SHEETS

Table 4 shows a comparison of the District's assets, liabilities and fund balances as of June 30, 1978 and 1979, as reported in the annual financial statements certified by the District's independent auditors.

Table 3
ALTA LOMA SCHOOL DISTRICT
Summary of General Fund Income and Expenditures

Fiscal Year	1974/75	1975/76	1976/77	1977/78	1978/79	Final Budget 1979/80
Beginning Balance July 1	\$ 184,336	\$ 220,405	\$ 179,995	\$ 270,091	\$ 204,982	\$ 448,165
Adjustment to Beginning Balance	2,299	5,483	(923)	(3,630)	(973)	-
Adjusted Balance	\$ 186,635	\$ 225,888	\$ 179,072	\$ 266,461	\$ 204,009	\$ 448,165
Income						
Federal Sources	\$ 68,892	\$ 89,125	\$ 97,698	\$ 94,799	\$ 135,140	\$ 77,275
State Sources	1,337,510	1,571,896	2,101,809	2,534,235	4,007,229	4,673,764
County Sources	26,142	26,409	49,911	17,137	47,974	35,000
Local Sources	681,870	812,735	1,009,488	1,617,720	735,127	1,204,270
Incoming Transfers	592	361	853	507	-	-
Subtotal	\$2,115,006	\$2,500,526	\$3,259,759	\$4,264,398	\$4,925,470	\$5,990,309
Total Funds Available	\$2,301,641	\$2,726,414	\$3,438,831	\$4,530,859	\$5,129,479	\$6,438,474
Expenditures						
Certificated Salaries	\$1,379,664	\$1,662,027	\$1,942,793	\$2,494,507	\$2,811,781	\$3,549,690
Classified Salaries	271,517	353,077	454,051	673,542	639,311	917,300
Employee Benefits	187,429	250,893	335,386	498,507	581,412	734,800
Books, Supplies Equipment	88,032	95,386	152,320	228,920	192,553	245,500
Contracted Services	114,963	138,804	198,473	291,748	322,566	449,000
Capital Outlays	26,264	23,618	39,835	77,162	47,661	97,000
Debt Service-Repayment						
School Bldg. Aid Loans	11,756	13,603	20,866	35,731	31,437	101,183
Outgoing Tuition and Transfers	1,610	9,011	25,016	25,760	54,593	334,330 (1)
Total Expenditures	\$2,081,235	\$2,546,419	\$3,168,740	\$4,325,877	\$4,681,314	\$6,428,803
Revised Budget Expenditures	\$2,089,776	\$2,618,310	\$3,168,419	\$4,369,386	\$5,178,395	\$ -
Variance to Actual Expenditures	8,541	71,891	(321)	43,509	497,081	-
Ending Balance June 30	\$ 220,405	\$ 179,995	\$ 270,091	\$ 204,982	\$ 448,165	\$ 9,671

(1) Includes Appropriation for Contingencies of \$279,780.

Sources: District audit reports for fiscal years 1974/75 through 1978/79; Annual Budget Report (Form J-41) July 1, 1979 to June 30, 1980, adopted by the District's governing board on September 4, 1979 for 1979/80 data.

Table 4
ALTA LOMA SCHOOL DISTRICT
Combined Balance Sheets

June 30, 1978								
	General Fund	Cafeteria Account	Bond Building Fund	State School Building Fund	Special Reserve (2)	Bond Interest & Redemption Fund	Student Body Fund	General Long-Term Debt
ASSETS								
Cash	\$ 575,848	\$ 6,327	\$1,406,052	\$ 789,756	\$ -	\$293,056	\$ 6,533	\$ -
Due from Federal and State governments	12,325	20,328	-	1,378,046	-	-	-	-
Due from other funds	20,519	1,438	-	-	-	-	-	-
Other receivables	6,893	-	-	-	-	-	420	-
Inventories (1)	-	2,828	-	-	-	-	4,116	-
Amount available in other funds for General Long-Term Debt	-	-	-	-	-	-	-	293,257
Amount to be provided for General Long-Term Debt	-	-	-	-	-	-	-	9,483,478
Total Assets	\$ 615,585	\$ 30,921	\$1,406,052	\$2,167,802	\$ -	\$293,056	\$ 11,069	\$ 9,776,735
LIABILITIES AND FUND BALANCES								
Accounts payable	\$ 124,066	\$ -	\$ 328,684	\$ 194,442	\$ -	\$ 2,015	\$ 1,292	\$ -
Accrued payroll	264,049	-	-	-	-	-	-	-
Other current liabilities	21,050	4,818	7,048	143,995	-	-	-	-
Due to other funds	1,438	15,994	-	4,525	-	-	-	-
Long-term debt repayable	-	-	-	-	-	-	-	9,776,735
Total Liabilities	\$ 410,603	\$ 20,812	\$ 335,732	\$ 342,962	\$ -	\$ 2,015	\$ 1,292	\$ 9,776,735
Fund Balances:								
Restricted	3,335	-	1,070,320	1,824,840	-	291,491	9,777	-
Unrestricted	201,647	10,109	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 615,585	\$ 30,921	\$1,406,052	\$2,167,802	\$ -	\$293,506	\$ 11,069	\$ 9,776,735

	June 30, 1979							
	General Fund	Cafeteria Account	Bond Building Fund	State School Building Fund	Special Reserve (2)	Bond Interest & Redemption Fund	Student Body Fund	General Long-Term Debt
ASSETS								
Cash	\$ 884,298	\$ 12,158	\$ 1,603,660	\$ 496,240	\$ 83,049	\$ 412,476	\$ 4,566	\$ -
Due from Federal and State governments	26,178	9,884	-	1,681,807	-	-	-	-
Due from other funds	5,013	4,914	-	-	-	-	-	-
Other receivables	7,056	-	-	915	38,600	-	44	-
Inventories (1)	-	2,460	-	-	-	-	4,032	-
Amount available in other funds for								
General Long-Term Debt	-	-	-	-	-	-	-	412,476
Amount to be provided for General								
Long-Term Debt	-	-	-	-	-	-	-	12,436,066
Total Assets	\$ 922,545	\$ 29,416	\$ 1,603,660	\$ 2,178,962	\$ 121,649	\$ 412,476	\$ 8,642	\$12,848,542
LIABILITIES AND FUND BALANCES								
Accounts payable	\$ 182,713	\$ 770	\$ 3,723	127,847	\$ -	\$ 6,155	\$ 418	\$ -
Accrued payroll	286,753	-	-	-	-	-	-	-
Other current liabilities	-	-	-	179,558	-	-	-	-
Due to other funds	4,914	5,013	-	-	-	-	-	-
Long-term debt repayable	-	-	-	-	-	-	-	12,848,542
Total Liabilities	\$ 474,380	\$ 5,783	\$ 3,723	\$ 307,405	\$ -	\$ 6,155	\$ 418	\$12,848,542
Fund Balances:								
Restricted	4,613	-	1,599,937	1,871,557	121,649	406,321	8,224	-
Unrestricted	443,552	23,633	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 922,545	\$ 29,416	\$ 1,603,660	\$ 2,178,962	\$ 121,649	\$ 412,476	\$ 8,642	\$12,848,542

(1) At cost.

(2) Fund established during 1978/79 fiscal year.

Source: District audit reports for individual years.

LEASE AGREEMENTS

At June 30, 1979, the District's General Fund had a contingent liability of \$332,582 in connection with lease-purchase agreements for three buses, a five-year office building lease agreement and seven-year lease-purchase agreements on six relocatable buildings. The following tabulation presents a summary of the annual payments due under District's lease obligations.

ALTA LOMA SCHOOL DISTRICT

Annual Payments Due Under Lease and Lease-Purchase Payments

Fiscal Year	Buses	Office Buildings	Relocatable Buildings	Aggregate
1979/80	\$ 12,758	\$ 13,021	\$ 38,498	\$ 64,277
1980/81	12,359	13,021	38,498	63,878
1981/82	-	11,907	38,498	50,435
1982/83	-	-	38,498	38,498
1983/84	-	-	38,498	38,498
1984/85	-	-	38,498	38,498
1985/86	-	-	38,498	38,498
Totals	\$ 25,117	\$ 37,979	\$ 269,486	\$332,582

Source: Audited financial statements of the District.

EMPLOYER-EMPLOYEE RELATIONS

Certified personnel of the Alta Loma School District are members of the recognized professional organization of the Alta Loma Educators Association (California Teachers Association Affiliate). Classified employees are not represented by any professional organization.

On October 16, 1979, the District's Board of Trustees ratified a three-year contract with the Alta Loma Educators Association which extends until June 30, 1982.

Effective July 1, 1976, provisions of the Rodda Act codified as Chapter 961 of the 1975 Statutes affects all school districts in California. In case of labor disputes, local grievance procedures may be operative (if established by contract), or both parties may agree to submit grievances to final and binding arbitration pursuant to rules adopted by the Educational Employment Relations Board, which administers the Act. The Act's provision with respect to the rights, obligations, and unfair practices applicable to management and labor became effective April 1976.

PENSION PLANS

District employees are covered by one of or more of the following retirement systems: The State Teachers' Retirement System; The State Public Employees Retirement System; and/or the Federal Social Security System (Old Age Survivors and Disability Insurance)

The State of California Teachers' Retirement System (STRS) covers basically all full-time certified employees. The District's contribution to STRS for fiscal year 1978/79 amounted to \$229,713, which includes both current costs and backfunding. The estimated District contribution to STRS in 1979/80 is \$277,000.

The State of California Public Employees' Retirement System (PERS) covers all classified personnel who are employed at least 50 percent of the work week. The District's contribution to PERS for 1978/79 amounted to \$57,350, which includes both current costs and backfunding. The estimated District contribution to PERS during 1979/80 is \$89,500.

All classified employees participate in the Federal Social Security System for which the District paid \$34,060 in 1978/79. The District estimates that it will pay \$43,500 to the Social Security System during 1979/80.

The State Teachers' Retirement System (STRS) operates under provisions of the State Education Code. The System includes California public teachers from pre-school through grade fourteen and certain other employees of the public school system. At June 30, 1978, there were approximately 335,100 active and inactive members, 75,351 benefit recipients and 1,149 local participating agencies. Membership is mandatory for all certificated employees meeting the eligibility requirements.

The System is financed by earnings from investments and contributions from members, school districts, and the State of California. Members contribute eight percent of applicable earnings, and school districts contribute a like amount. Under legislation enacted in 1979, the State contributes \$144,300,000 annually, cumulatively increased or decreased beginning July 1, 1980 by an amount which reflects the change in the California Consumer Price Index in the preceding fiscal year. In addition, the State will contribute certain amounts, beginning with \$10,000,000 in 1980/81 fiscal year and increasing in annual increments to \$280,000,000 in 1994/95, such final amount to be adjusted annually thereafter by changes in the California Consumer Price Index.

An actuarial valuation of the System is performed every two years and an experience analysis every four years. Actuarial valuations are based upon the entry-age-normal cost method, which is a projected benefit cost method wherein level normal cost rates (contributions) are computed sufficient to fund benefits over the entire service life of members. The System's financial statements are prepared on the accrual basis of accounting.

At June 30, 1978, the total unfunded obligation of the System was \$10,904,000,000, as determined by the independent actuary. This includes the present value of future State contributions provided by the State Teachers' Retirement Law at that time. It has not been determined whether the additional State contributions, described above, will fully discharge the unfunded obligation at some future time.

The State Teachers' Retirement System's actuary is Milliman & Robertson, Inc., of San Francisco, California; Investment Counsel for equities is Scudder, Stevens & Clark, San Francisco, California; the System's auditor is Cooper's & Lybrand, Sacramento, California.

The State Public Employees' Retirement System (PERS), originally established in 1931, is governed by an eleven member Board of Administration which includes the State Director of Finance. As of June 30, 1978, there were 588,923 members, of whom approximately 9% were classified as "safety" members (principally fire and police duties) and the balance were classified as "miscellaneous" members (management, administrative, staff, operational and clerical employees).

Approximately one-third of the members are State personnel and the balance are public agency personnel. As of June 30, 1978, the System provided retirement, death and survivor benefits under 1,008 contracts for 2,109 public agency employers (cities, counties, school districts, special districts, and other public bodies) with 399,614 members. The System's funding is by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules.

Total assets of the System at June 30, 1978 were \$10,155,891,520, according to the System's annual report. Of this amount, net assets of \$9,922,249 were available for benefits. The annual contribution by employers for the 1977/78 fiscal year was \$869,084,148. The annual contributions by employees for the 1977/78 fiscal year was \$351,123,458.

The Public Employees' Retirement Law requires an investigation of the System's experience at intervals of not more than four years, and an actuarial valuation of assets and liabilities taking actual experience into consideration. This was last done as of June 30, 1976. The System's actuarial activities are conducted internally on a continuous basis, subject to review by an outside consultant. As of June 30, 1977, the total unfunded liability of the System was determined to be \$7,544,156,734, of which \$4,057,604,006 applied to State members and the balance to local agency personnel.

Except for the pooling of certain local public agency miscellaneous members, actuarial evaluations are performed for each participating employer, and the total accrued actuarial liability noted above is the sum of the individual employer accounts. According to the PERS annual report, public agency employee contribution rates set forth between each agency and PERS will meet all ongoing costs and fund the unfunded liability for each agency in accordance with the terms of each agency's contract.

DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT

The District's general obligation bonding capacity is equal to five percent of its assessed valuation less all exemptions except those for homeowners and business inventories. The San Bernardino County Auditor-Controller's Office reports that the District's current bonding capacity is \$6,508,987. Upon delivery of the bonds currently offered, the District's general obligation bonded indebtedness will be \$6,505,000.

The tabulation below presents a summary of the District's outstanding bonded debt as of February 25, 1980. Table 5 is a statement of the District's direct and estimated overlapping bonded debt as of February 25, 1980. As of August 31, 1979, the share of State School Building Aid repayable by the District was \$6,340,000.89. The District's share of authorized and unsold bonds consists of \$776,500 of the Metropolitan Water District, plus its remaining \$595,000 of unsold Election 1978 bonds.

ALTA LOMA SCHOOL DISTRICT

Outstanding Bonded Indebtedness as of February 25, 1980

Date of Issue	Original Principal Amount	Final Maturity	Amount Putstanding February 25, 1980
December 1, 1970	\$ 480,000	1983	\$ 235,000
May 1, 1973	320,000	1985	225,000
November 1, 1974	375,000	1988	345,000
December 1, 1976	750,000	1990	685,000
February 1, 1978	1,155,000	1993	1,120,000
June 1, 1978	265,000	1993	255,000
February 1, 1979	1,395,000	1991	1,395,000
March 1, 1980	2,245,000	1995	<u>2,245,000 (1)</u>
Total			\$6,505,000

(1) Bonds currently offered for sale.

Table 5

ALTA LOMA SCHOOL DISTRICT

Statement of Direct and Estimated Overlapping Bonded Debt (1)

Estimated Population 22,000 (2)
 1979/80 Assessed Valuation \$130,179,740 (3)

Public Agency	Debt Applicable February 25, 1980 (4)	
	Percentage	Amount
Metropolitan Water District	0.210 %	\$ 1,077,084
Chino Basin Municipal Water District	8.047	1,035,648
Cucamonga County Water District	40.603-40.684	1,099,337
Cucamonga County Water District, Improvement District #2	99.687	159,499
Cucamonga County Water District, Improvement District #1963-1	35.479	376,077
Cucamonga County Water District, Improvement District #5	43.351	3,437,734
Chaffey Union High School District	12.493	435,381
Alta Loma School District	100.000	6,505,000 (5)
City of Upland	0.001	21
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT		\$14,125,781
Less: Cucamonga CWD ID #2 (100% self- supporting)		159,499
City of Upland water bonds (100% self-supporting)		10
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT		\$13,966,272

	Percentage of Assessed Valuation	Per Capita
Assessed valuation	--%	\$5,917
Direct debt	5.00	296
Gross direct and estimated overlapping bonded debt	10.85	642
Net direct and estimated overlapping bonded debt	10.73	635

(1) Compiled in cooperation with California Municipal Statistics, Inc.

(2) Estimate by District staff.

(3) Before the deduction of \$9,812,020 homeowners' and business inventory exemptions, the taxes on which are reimbursed by the State.

(4) Excludes sales, if any, between February 4, and February 25, 1980, except for the \$6,505,000 of bonds currently offered for sale. Also excludes \$444,092 share of bonds secured by leases to San Bernardino County.

(5) Includes \$6,505,000 of bonds currently offered for sale.

ECONOMY OF THE DISTRICT

The Alta Loma School District covers approximately 25 square miles in southwestern San Bernardino County. It forms part of the newly incorporated City of Rancho Cucamonga, which includes the communities of Alta Loma, Etiwanda, and Cucamonga. Bordering the District on the west is the City of Upland. Cucamonga and Etiwanda lie to the south and east, respectively. To the north, the District rises gradually into the foothills of the San Gabriel Mountains and the San Bernardino National Forest. The District is approximately 40 miles east of Los Angeles and 19 miles west of San Bernardino.

Within the District are horse ranches, citrus groves, vineyards, and a winery. Agricultural lands, however, are giving way to urban encroachment as high land costs and overcrowding in Los Angeles and Orange counties have influenced many residents of those areas to seek living space in San Bernardino County. Residential construction activity in the District is at a high level, as discussed in a subsequent portion of this Official Statement.

There are ten manufacturing plants in the District, one of which--the American Can Company--employs more than 100 persons in the production of plastic bottles. Industrial and distribution activities are served by a branch line of the Southern Pacific Railroad. The District is four miles north of Interstate 10 (the San Bernardino Freeway), and is approximately the same distance from Ontario International Airport, the second busiest airport in Southern California. Interstate 15 is two miles to the east. Chaffey College, a community college serving southwestern San Bernardino County, occupies an attractive hillside campus within the District.

CITY OF RANCHO CUCAMONGA

In response to local requests, the Board of Supervisors of San Bernardino County appointed a Municipal Advisory Council in 1972 to explore the feasibility of incorporating the three unincorporated communities of Cucamonga, Alta Loma and Etiwanda. The Council was composed of seven members (two from each community and a representative-at-large from Southern California Edison Company, whose properties represent a large portion of assessed valuation).

At the November 8, 1977 general election, electors of the three communities voted in favor of incorporation by more than 59 percent of the total vote cast. The City of Rancho Cucamonga was incorporated November 22, 1977 as a general law city. It covers approximately 32 square miles. The City is governed by a City Council of five members elected at large. Mr. Lauren Wasserman was appointed City Manager on March 27, 1978.

Rancho Cucamonga city offices are located at 9320 Base Line Road, within the boundaries of the Alta Loma School District.

POPULATION

An estimated 22,000 persons currently reside within the boundaries of the Alta Loma School District. A State Department of Finance Special Census of the City of Rancho Cucamonga conducted during April 1, 1979 reported that the City had 49,540 residents.

The population of the area which now comprises the City of Rancho Cucamonga tripled between 1970 and 1979, the fastest growth rate reported in San Bernardino County during this period. A summary of the growth in Rancho Cucamonga's population since 1960 appears in the following tabulation.

CITY OF RANCHO CUCAMONGA

Population Growth

Year	Population	Percentage Increase
1960	10,760 (1)	- -%
1970	16,043 (2)	49.1
1975	26,262 (1)	63.7
1979	49,540 (3)	88.6

Sources:

- (1) San Bernardino County Planning Department, "Tri-Community Information Base Report" (i.e. Alta Loma, Cucamonga and Etiwanda), October 1977.
 - (2) U. S. Census data.
 - (3) State Department of Finance Special Census, April 1979.
-

HOUSING AND INCOME

According to records of the Alta Loma School District, there were 6,803 occupied houses and 88 occupied apartments in the District as of November 1979. Such data represent an increase of 22.8 percent over the 5,610 occupied dwelling units reported for the District during November 1978. Local real estate sources report that the percentage of owner-occupied homes in the District is very high and that new homes are generally priced in the \$75,000 to \$150,000 range, the latter situated in equestrian environments.

More than one-half of all households in Rancho Cucamonga, and nearly three-fourths of those disclosing income data, reported incomes of \$15,000 or more during the April 1979 Special Census. Nearly 27 percent of all households indicated annual incomes of \$25,000 or more, which represented approximately 38 percent of the families which disclosed

income data. Following is a distribution of the household incomes reported by Rancho Cucamonga residents.

CITY OF RANCHO CUCAMONGA
Total Family Incomes - 1979

Income	Number	Percentage
Less than \$5,999	600	3.88%
\$6,000 - 8,999	575	3.72
\$9,000 - 11,126	596	3.86
\$11,127 - 14,999	1,140	7.38
\$15,000 - 24,999	3,925	25.41
\$25,000 - 49,999	3,744	24.24
\$50,000 or more	417	2.70
No response/not classified	<u>4,451</u>	<u>28.81</u>
Total	15,448	100.00%

Source: State Department of Finance Special Census, April 1979.

CONSTRUCTION ACTIVITY

Building activity has maintained a vigorous pace in the City of Rancho Cucamonga and environs since 1975. Demand for new homes in this area has been stimulated primarily by families relocating from Los Angeles County, in many instances to purchase more affordable or larger homes.

Historical building permit valuation data are not available for the City of Rancho Cucamonga since permits were issued by San Bernardino County prior to September 1978 and the County did not segregate building activity in the Rancho Cucamonga area for reporting purposes. Subsequent to the transfer of the responsibility for issuing building permits to the City of Rancho Cucamonga, various building moratoria were placed into effect as discussed below.

In July 1978, the City of Rancho Cucamonga enacted the first of several temporary building moratoriums designed to allow the newly incorporated area time to develop a growth management program. The moratoria have since expired and have been superseded by the City's Growth Management Plan which became effective January 3, 1980. Under the Growth Management Plan proposed subdivisions will be ranked using a point system. In order to be approved, a project will need a minimum number of points plus the approval of the appropriate elementary school, high school and water districts. Such approvals are required to ensure that public facilities are available, or will be provided, to accommodate the resulting increase in population. Projects which have previously been approved and those of four residential units or less are exempt from the Growth Management Plan.

The District's records indicate that there were 728 homes under construction within its boundaries as of October 29, 1979. Houses tentative (i.e. those for which a tract map had been filed, but no construction had commenced) numbered 2,012. According to District studies, occupied housing units and those under construction account for approximately 50 percent of the maximum number of residential units currently zoned for the school district.

Developer activity is monitored quarterly throughout Southern California by First American Title Insurance Company. According to this firm's most recent bulletin, the Upland-Alta Loma area was the most active area in San Bernardino County for residential sales during the third quarter of 1979 with 395 new homes sold.

Data pertaining to construction activity in the Alta Loma School District were extracted from the above report by Stone & Youngberg Municipal Financing Consultants, Inc., and are presented in the accompanying tabulation. The tabulation lists the principal developers active as of the third quarter of 1979, the total number of units recorded, the number of units completed as of the quarter, and the number of units sold. Virtually all units are single family homes. As of the third quarter, 40 developers had scheduled a total of 2,436 units, completed 1,459 and sold 1,078. The fact that the number of units scheduled is considerably more than the number completed or sold is evidence of the District's continuing attraction to home builders.

ALTA LOMA SCHOOL DISTRICT

Status of Developer Activity-Third Quarter 1979

Developer	Total Units Recorded	Completed Units	Units Sold
Crowell/Leventhal, Inc.	176	143	68
Lewis Homes of California	234	196	179
Multi-Benefit Realty Fund IV	11	0	1
The Ranch, Ltd.	60	60	55
Thomas & Miriam Kendall	69	24	21
Bridgestone Development Co.	72	72	63
Walton Associates Co.	48	25	8
Cameo Land Co.	50	50	38
Coronado Land Co.	266	175	63
Kingswood, Inc.	18	10	2
Valle Verde, Ltd.	49	35	43
LTB Construction, Inc.	17	5	6
R & L Harris Corp.	29	29	25
Monfred Hall Construction, Inc.	16	11	12
R. L. Sievers & Sons, Inc.	61	47	31
Lensy/Fletcher Homes	78	45	61
Greenberg, Stark & Assoc.	18	18	13
G. & C. Miller	72	54	46
Meeker Development	30	30	21
Constructech, et. al.	53	3	3
Chevron Construction Co.	27	18	16
Hughes Development	124	124	95
Michael & Helena Leon	18	1	11
Kenneth C. Elmore	18	18	11
Griffin Devel./Grigsby Devel.	51	1	22
Thompson Associates	48	48	40
Clifton S. Jones, Inc.	75	28	19
Rancho Ramona Estates	34	5	15
Bob Jensen Builder, Inc.	75	53	34
Jerrax Corp.	26	17	9
M & C. Kalback	73	19	23
Borg-Warner Equities Corp.	36	18	18
Bank of America	10	4	2
Deer Creek Co.	48	1	3
Brentwood Land Co.	45	11	1
Kent Land Co.	103	0	0
Chevron Land	32	0	0
Rancho De Cucamonga	61	61	0
Highland Terrace	60	0	0
G. Miller Development	45	0	0
Totals	2,436	1,459	1,077

Source: "Recorded Facts", First American Title Insurance
Company, Santa Ana, California. Cimpiled by Stone
& Youngberg Municipal Financing Consultants, Inc .

EMPLOYMENT

The April 1979 Special Census reported that the majority of Rancho Cucamonga's heads of households were employed in skilled trade, professional, technical or managerial occupations. Following is a summary of the occupations reported for the principal wage earners.

CITY OF RANCHO CUCAMONGA

Occupations of Heads of Households - 1979

Category	Number	Percentage
Professional and technical	2,696	17.45%
Managers, officials, proprietors and administrators	2,293	14.84
Sales workers	987	6.39
Clerical workers	698	4.52
Craftsmen and foremen	2,825	18.29
Operatives and kindred workers	825	5.34
Service workers	982	6.36
Workers and farm laborers	634	4.10
Not in labor force	1,760	11.39
Other/no response	<u>1,748</u>	<u>11.32</u>
Total	15,448	100.00

Source: State Department of Finance Special Census, April, 1979.

The majority of Rancho Cucamonga's principal wage earners are employed either locally, in Los Angeles County or elsewhere in San Bernardino County. The following tabulation presents a summary of the work locations of Rancho Cucamonga's heads of households as reported by the Special Census.

CITY OF RANCHO CUCAMONGA

Employment Locations of Heads of Households - 1979

Location	Number	Percentage
City of Rancho Cucamonga	1,856	12.01%
Los Angeles/Santa Monica	1,031	6.67
San Gabriel Valley	766	4.96
Elsewhere in Los Angeles County	3,030	19.61
Orange County	624	4.04
San Bernardino/Riverside	1,189	7.70
Elsewhere in San Bernardino County	2,896	18.75
Elsewhere in Riverside County	102	0.66
San Diego/Imperial Counties	23	0.15
Not in Labor Force	1,834	11.87
Other/No Response	<u>2,097</u>	<u>13.58</u>
Total	15,448	100.00%

Source: State Department of Finance Special Census, , April 1979.

Employment opportunities within the District are largely in education, trade, personal services and manufacturing. The largest employers in the District are the Chaffey College (over 700 full-time and part-time employees), the Alta Loma School District, and American Can Company, which employs more than 100 persons at a local plant producing plastic bottles. An undetermined number of persons are employed in trade and personal services at the seven shopping centers located within the District.

Residents of the District are within commuting distance of the major employment centers in Los Angeles County and the San Bernardino-Riverside-Ontario Metropolitan Area. Employment opportunities in the latter area are discussed more fully in the portion of this Official Statement entitled "The San Bernardino Valley".

INDUSTRY

Economic studies prepared for the San Bernardino County General Plan by Wilsey & Ham indicate that the West Valley area of San Bernardino County, of which the District is a part, can become the third most important area of industrial concentration in Southern California, ranking behind only the Vernon-Los Angeles-Commerce and the Wilmington-San Pedro areas.

Several factors combine to make the general area attractive for industrial development, including: pressures of urban development from the Los Angeles Basin and the area's proximity to that market; the presence of Kaiser Steel, the only fully integrated steel plant on the Pacific Coast (located less than 5 miles east of the District); outstanding rail, highway, and air transportation facilities nearby; major utility installations including a 36-inch in-

terstate gas transmission main, a 1,000,000 kw generating plant near the District, two major transmission lines of the Metropolitan Water District, and two interconnected industrial waste outfall lines; the availability of a ready labor supply; and, the availability of large tracts of flat, readily developable land at comparatively low costs. According to Rancho Cucamonga's Proposed General Plan, future industrial development is earmarked for areas south of the District.

The 1979-1980 Industrial Directory, prepared by the San Bernardino County Economic Development Department, lists 100 firms with operations in Rancho Cucamonga. All but 10 of these firms are located outside of the Alta Loma School District's boundaries, primarily in the southern portions of Rancho Cucamonga. Firms located in the District produce a wide variety of goods including plastic bottles, dental equipment, printed circuit boards, furniture, jewelry, steel products and wine.

A listing of the major industrial employers within Rancho Cucamonga appears in the following tabulation.

CITY OF RANCHO CUCAMONGA
Largest Industrial Employers

Company	Product/Service	Number of Employees
Inspiron (Div. of C.R. Bard)	Disposable medical products	501-1,000
Ameron Steel & Wire Division	Steel bar, wire, coil and mesh	251-500
National Can Company	Lithographed metal containers	251-500
American Can Company (1)	Plastic bottles	101-250
Data-Design Laboratories	Training systems; life support & medical apparatuses	101-250
Fasson (Div. of Avery International)	Adhesive coated paper, films & foils	101-250
Frito-Lay, Inc.	Snack foods	101-250
Ken-Craft Products, Inc.	Recreational vehicles	101-250
Metropolitan Wire Corp.	Wire products	101-250
Philips Industries, Inc.	Aluminum windows & doors for recreational vehicles	
Robert Manufacturing Company	Fittings, valves & connectors	101-250
Royal Creations, Inc.	Ready to assemble furniture	101-250
Royal Seals Corporation	Molded rubber seals	101-250
Safetran Systems Corporation	Railroad electronic signaling and communication equipment	101-250
Schlosser Forge Company	Rolled rings	101-250
Southern California Finishing, Inc.	Carpet dyeing & finishing	101-250
Sunshine Foods	Egg production	101-250

(1) Located within the Alta Loma School District.

Source: 1979-80 Industrial Directory, San Bernardino County Economic Development Department.

COMMERCE

Commercial activity within the District is centered at seven neighborhood shopping centers. Two of these centers are situated along Base Line Road, the District's southern boundary, at its intersections with Archibald Avenue and Carnelian Street. Several blocks north along Carnelian Street, four shopping centers are located at the 19th Street intersection. Further east, another shopping center is located at the intersection of 19th Street and Archibald Avenue.

Major commercial enterprises with outlets in the District include Alpha Beta Markets, Sprouse Reitz Stores, Stater Bros. Markets, Thrifty Drug and Discount Stores, Vons Grocery Company, and most of the commercial banks and savings and loan associations listed under the following subsection of this Official Statement entitled "Banking".

Prior to its incorporation, taxable transaction data were not compiled for the area comprising Rancho Cucamonga. The State Board of Equalization reports that during 1978 taxable sales totaling \$81,118,000 were transacted within the City of Rancho Cucamonga, of which \$35,907,000 were retail sales. There were 191 retail stores and 491 other outlets having permits to operate during 1978.

Taxable sales in Rancho Cucamonga accelerated briskly during the first six months of 1979, the latest period for which data are available. Total taxable transactions increased 76.2 percent from the \$31,439,000 reported for the first half of 1978 to \$55,407,000, while retail sales grew 84.4 percent from \$14,452,000 to \$26,651,000. Permits for 231 retail stores and 581 other outlets were in effect as of July 31, 1979.

BANKING

Commercial banking services are provided in Rancho Cucamonga by the Bank of America, N.T. & S. A. (two branches), the First National Bank and Trust Company (two branches) and Security Pacific National Bank. Additional financial services are available from the Ontario Savings and Loan Association, the Pomona First Federal Savings and Loan Association, Sierra Savings and Loan Association and the Wilmington Savings and Loan Association. United California Bank plans to open an office in the District during February, 1980.

UTILITIES

Electricity is furnished by the Southern California Edison Company. Natural gas is delivered by the Southern California Gas Company. General Telephone Company of California renders telephone service. Water and sewerage service are provided by the Cucamonga County Water District.

TRANSPORTATION

The District is served by major transcontinental rail, highway, and air transportation facilities.

The Southern Pacific Railroad maintains a branch line which serves the industrial and distribution activities within the District. A short distance to the south are main lines of the Southern Pacific, Union Pacific, and the Atchison, Topeka, and Santa Fe Railway.

Interstate 10 (the San Bernardino Freeway) passes within four miles of the District's southern boundaries. Two miles to the east is Interstate 15 (the Devore Freeway) which extends from the Pomona Freeway to Las Vegas and beyond. A proposed extension of Interstate 210 (the Foothill Freeway) from Glendora to San Bernardino would traverse the District. State Highway 30 passes through the District from east to west. U. S. 66, two miles south of the District, also provides east-west traffic circulation.

Ontario International Airport, less than five miles south of the District, is a dominant factor in the industrial development and future potential of the area. The existence of the airport is considered a major attraction in the location of industries for whom air freight and the transportation of personnel are considered of growing importance. Nine air carriers have regularly scheduled flights to and from Ontario International Airport which is under control of the Los Angeles Department of Airports. The 1,450-acre terminal, second largest in Southern California, accommodates approximately two million passengers and over six million pounds of air cargo annually. Cable Airport, several miles west of the District, has facilities for general and executive aircraft.

Interurban bus service is provided by the Southern California Rapid Transit District, Greyhound Bus Lines and Continental Trailways. Local bus service is available from Omnitrans, which is governed by the San Bernardino County Board of Supervisors.

Shipping facilities to intercoastal and world markets are available at Los Angeles Harbor and the Port of Long Beach, located approximately fifty miles to the southwest via freeway.

EDUCATION

The District is part of the Chaffey Union High School District, which operates seven high schools in the area, and the Chaffey Community College District, which administers Chaffey College in Alta Loma. Chaffey College was founded in 1882 as a preparatory school, organized as a junior college in 1916 as a department of Chaffey High School, and reorganized as a junior college district in 1922. The campus was relocated to its present site in 1960. In the Fall of 1979, Chaffey College had an enrollment of 11,283, including 3,507 full-time students. The college offers two-year programs leading to a certificate in various academic and vocational fields, or for transfer to a four-year degree institution. Among the courses offered are electronics, lithography, aeronautics, fire

science, welding technology, life sciences, nursing, dental assisting, and business education. The main campus includes a planetarium and children's center. Off-campus facilities include a Skill Center at Ontario International Airport and the Ontario-Montclair Center in Ontario. Vocational courses at these locations are offered to more than 1,000 adult education participants.

Recognized four-year colleges and universities located within a 30-mile radius of the District include the University of California at Riverside, California State University at San Bernardino, California State Polytechnic University at Pomona, the University of Redlands, Loma Linda University, the Claremont Colleges, (Scripps, Pomona, Claremont, Harvey Mudd, Pitzer) and the Claremont Graduate School.

COMMUNITY FACILITIES AND RECREATION

Hospital care is available at the 309-bed San Antonio Community Hospital in Upland and at two general hospitals in Ontario with a combined capacity of 409 beds. Two convalescent hospitals are located in Rancho Cucamonga.

The San Bernardino Sun-Telegram recently added a "Rancho Cucamonga" section which is published daily. Additional local news coverage is provided on a daily basis by the Daily Report, published in Ontario, and the Evening Progress Bulletin, published in Pomona. The Highlander, a tabloid published in Hacienda Heights each week, also provides coverage of local news. The Los Angeles Times maintains an office in Rancho Cucamonga. Radio station KSNE AM-FM broadcasts from Rancho Cucamonga.

Cucamonga-Guasti County Regional Park, located a few miles south of the District, opened in May 1974. The \$1.2 million park has a one-half acre lagoon for swimming and two lakes, one for fishing and boating and the other reserved for fishing only. Golf courses within the immediate area are La Mancha Golf Course and Red Hill Country Club. The latter is a private course.

The 700-acre, \$30 million Ontario Motor Speedway is situated between the District and the San Bernardino Freeway. The speedway includes a 2.5 mile oval track for cars of the Indianapolis caliber, a 3.5 mile road race circuit, and a quarter-mile drag strip. Permanent grandstand seats will accommodate 85,000; portable stands and infield spectators extend the audience capacity to over 200,000. Parking is available for 51,000 vehicles.

The northern portion of the District extends into the San Bernardino National Forest, affording many opportunities for outdoor activities such as hiking, camping, skiing, fishing, and boating. Bordering this area to the west is the Angeles National Forest. Both national forests have wilderness areas for public recreation.

The varied recreational and cultural advantages of the Greater Los Angeles as well as the many facilities lying within the San Bernardino-Riverside-Ontario Metropolitan Area are within convenient freeway driving distance of the District.

THE SAN BERNARDINO VALLEY

The District lies in the heart of the most intensively developed portion of the San Bernardino-Riverside-Ontario Metropolitan Area which encompasses San Bernardino and Riverside counties. At January 1, 1979, the State Department of Finance estimated that this area, the fifth most populous metropolitan area in California, had a population of 1,407,200, a 23 percent increase over the total reported in the 1970 U. S. Census. The State of California's population increased less than 13 percent during the same period.

The San Bernardino-Riverside-Ontario Metropolitan Area has a wide variety of basic industries such as steel, agriculture, electronics, tourism, military installations, government facilities and minerals. The only integrated steel mill on the Pacific Coast is located at Fontana, less than five miles east of the District. This complex accounts for approximately 70 percent of the raw steel output in California.

EMPLOYMENT

Employment patterns in the San Bernardino-Riverside-Ontario Labor Market Area are reported periodically by the State Department of Employment Development. In October, 1979 this labor market supported 436,400 nonagricultural wage and salary workers and 17,900 agricultural workers. Of the nonagricultural workers, more than 22 percent were on government payrolls, largely at the state and local government level. Trade, services and manufacturing were the other leading sources of jobs, in that order. A summary of employment by industry throughout the metropolitan area appears below, and a list of the major employers appears on the following page.

SAN BERNARDINO-RIVERSIDE-ONTARIO LABOR MARKET

Wage & Salary Employment by Industry

	October 1978	October 1979
Manufacturing	65,000	67,400
Mineral extraction	2,300	2,500
Construction	29,300	31,200
Transportation, communications, utilities	22,100	23,400
Wholesale trade	13,400	13,000
Retail trade	87,700	93,200
Finance, insurance, real estate	17,000	17,800
Services	84,900	89,600
Federal government	16,700	17,000
State and local government	77,900	81,300
Total Nonagricultural	<u>416,300</u>	<u>436,400</u>
Agriculture	<u>22,100</u>	<u>17,900</u>
Total All Industries	<u>438,400</u>	<u>454,300</u>

Source: State Department of Employment Development.

SAN BERNARDINO-RIVERSIDE-ONTARIO LABOR MARKET

Selected Major Employers

Employer	Product/Service	Number of Employees
<u>Manufacturing Employment:</u>		
Amax Aluminum Mill Products, Inc. Riverside	Aluminum sheet, tubing	1,100
Bourns, Inc. Riverside	Electronic components	1,600
Deutsch Co., Banning	Electronic components	900
E. L. Yeager Constr. Co., Rubidoux	Heavy construction, concrete	850
Fleetwood Enterprises, Riverside	Mobile homes, recreation vehicles	1,450
Freightliner Corp., Chino	Trucks	500-1,000
General Electric Co., Ontario	Appliances, aviation services	over 1,000
Johns-Manville Fiber Glass Div., Corona	Fiberglass insulation	400
Kaiser Steel Co., Fontana	Iron, steel, structural shapes	9,000
Kerr-McGee Chem. Corp., Trona	Potash, borax	501-1,000
Lockheed Aircraft Service Co., Ontario	Aircraft maintenance	over 1,000
Owens-Illinois, Lily Tulip Div., Riverside	Containers	430
Press-Enterprise Co., Riverside	Printing, publishing	585
Riverside Cement Co., Riverside	Cement	600
Sunkist Growers, Ontario	Orange products	501-1,000
Sunkist Growers, Corona	Lemon products	450
Rohr Industries, Riverside	Aircraft components	1,040
Toro Co., Riverside	Irrigation systems	350
<u>Non-Manufacturing Employment:</u>		
Central City Mall, San Bernardino	Regional shopping center	3,000
General Telephone Company	Communications	400
Inland Center Mall, San Bernardino	Regional shopping center	2,500
Kalser Corp.	Highway construction	250-500
Loma Linda University & Hospital	University and hospital	5,200
March Air Force Base, Riverside	Defense (civilians only)	1,300
Norton Air Force Base, San Bernardino	Defense	11,000
Pacific Telephone Co.	Utility	800
Riverside County	County government	4,000
San Bernardino County	County government	7,000
San Bernardino School System	Unified school system	3,000
San Bernardino State College	State college	525
San Bernardino Valley College	Community college	700
Santa Fe Railroad	Transportation	3,000
Southern Pacific Railroad	Transportation	1,300
Southern California Edison	Electrical utility	600
Southern California Gas Co.	Gas utility	350
TRW Systems Group	Research/management	750
University of California, Riverside	Education	3,600
Sources: San Bernardino County Economic Development Department and Riverside County Department of Development.		

PERSONAL INCOME

The U. S. Department of Commerce estimates that the monetary income per capita in San Bernardino County was \$5,349 in 1975, compared with \$3,524 in 1970. The 51.8 increase during the 1970-1975 period exceeded the statewide increase of 46.5 percent.

CONSTRUCTION ACTIVITY

After a low point in 1974, building permit valuations in San Bernardino County increased by over 57 percent the following year. In 1977, the annual gain exceeded 70 percent. Although the rate of increase moderated in 1978, total valuation established a record of \$997 million, as reflected in the tabulation below. Single family residential valuation accounts for the bulk of building permit valuation, with permits for over 15,700 new homes issued in 1977 and 13,700 in 1978. As noted, the number of multi-family dwelling units approved for construction increased substantially during both 1977 and 1978.

SAN BERNARDINO COUNTY

Building Permit Valuation (\$000 Omitted)

Year	1974	1975	1976	1977	1978
Residential:					
New Single-Family	\$ 91,903	\$185,659	\$382,444	\$658,939	\$615,184
New Multi-Family	10,009	8,207	7,888	36,977	117,068
Additions, Alterations	17,537	23,201	28,511	40,555	47,659
Non-Residential:					
New Commercial	27,449	17,669	39,681	49,808	78,214
New Industrial	10,394	38,472	14,655	26,547	42,143
Alterations, Additions	6,881	7,031	9,244	10,511	13,000
Other	33,295	30,833	33,129	53,882	83,751
Total Valuation	\$197,468	\$311,072	\$515,552	\$877,219	\$997,019
No. of New Dwelling Units:					
Single-Family	3,473	5,192	10,008	15,746	13,786
Multi-Family	634	494	472	2,243	5,151
Total Units	4,107	5,686	10,480	17,989	18,937

Source: "California Construction Trends", Security Pacific National Bank.

TAXABLE SALES

Taxable sales in San Bernardino County amounted to more than \$3.3 billion in 1978, an increase of more than \$459 million and 15.8 percent over the previous year. The tabulation at the top of the following page presents a summary of the taxable sales transacted within San Bernardino County since 1974.

SAN BERNARDINO COUNTY

Taxable Transactions (\$000 Omitted)

	Retail Outlets		All Outlets	
	Permits	Transactions	Permits	Transactions
1974	6,091	\$1,354,669	16,072	\$1,823,841
1975	6,182	1,471,122	16,862	1,977,173
1976	6,294	1,726,263	17,673	2,343,336
1977	6,406	2,101,148	18,392	2,894,297
1978	6,852	2,453,437	20,167	3,353,721

Source: State Board of Equalization.

AGRICULTURE

The fertile San Bernardino Valley is a major agricultural area, extending 40 to 50 miles in an east-west direction. It forms a part of the citrus belt of Southern California, and is a leading dairy producing area. Gross value of farm products in San Bernardino County exceeded \$386 million in 1978, the highest value on record for the County. There were 19 commodities with a valuation in excess of one million dollars. Milk and eggs are the principal farm products, accounting for nearly 73 percent of total output in 1978. The following tabulation presents county agricultural production values by individual years since 1975.

SAN BERNARDINO COUNTY

Gross Value of Farm Production

	1975	1976	1977	1978
Fruits and nuts	\$ 16,690,800	\$ 18,539,900	\$20,636,800	\$ 22,905,900
Vegetables	3,693,600	4,189,900	3,872,700	4,595,000
Field crops	13,823,000	15,075,200	13,203,100	13,557,000
Seed crops	92,100	301,000	142,500	498,500
Nursery prod., cut flowers	4,751,800	5,681,100	8,117,100	10,709,600
Apiary products	924,200	536,500	702,700	1,226,000
Livestock and poultry	41,958,000	40,533,600	40,283,800	50,478,600
Animal products	226,014,500	256,301,600	265,172,300	280,487,800
Aquaculture, worms	--	1,107,000	1,508,800	1,781,000
Total Value	\$307,948,000	\$342,265,800	\$353,639,800	\$386,239,400

Source: County Department of Agriculture.

EDUCATION

Public education in San Bernardino County is administered by 16 elementary school districts, two high school districts, 14 unified (K-12) school districts, and five community college districts. Enrollment in the elementary grades has turned up slightly in the past three years, reversing an earlier trend, while enrollment in the secondary and community college grades declined during 1978 due to the reduction in adult education programs following the adoption of Article XIII A of the State Constitution. A five-year enrollment history of public schools in the County is shown below.

SAN BERNARDINO COUNTY

Total Enrollment in Public Schools (1)

Grade K-14	1974	1975	1976	1977	1978
Elementary (K-8)	111,339	111,146	111,599	113,896	114,473
Secondary	69,296	71,466	72,443	72,159	62,494
Community College	<u>32,818</u>	<u>41,835</u>	<u>36,271</u>	<u>35,024</u>	<u>31,469</u> (2)
Total	213,453	224,447	220,313	221,079	208,436

(1) Fall enrollment.

(2) Data provided by community colleges due to changes in County reporting procedures.

Source: County Superintendent of Schools, except as otherwise noted.

Within San Bernardino County are three universities. In addition, there are five two-year community colleges. Loma Linda University is a coeducational complex of schools offering undergraduate and graduate degrees including doctoral programs in varied academic and professional fields. The University of Redlands, a private liberal arts college granting baccalaureate and master's degrees, is known for its outstanding programs in the fields of business administration, education, music, chemistry, engineering, mathematics and physics. California State University, San Bernardino, three miles east of San Bernardino, offers the Bachelor's degree in 28 majors, and the Master's degree in various education fields. About ten miles south of the City of San Bernardino is the Riverside campus of the University of California. This is one of nine general campuses of the University of California system.

RECREATION

San Bernardino County has a wide variety of attractions for both residents and visitors. The Ontario Motor Speedway opened in 1970, bringing major auto racing events to Southern California. Each year, thousands of visitors attend the National Orange Show in the City of San Bernardino. Well-known recreational areas in the San Bernardino Mountains include Lake Arrowhead, Big Bear and the Wilderness Area around Mount San Gorgonio. The County contains nine developed ski areas, of which Snow Valley and Snow Summit are the best known.

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